## IN THE CLAIMS

1. (currently amended) A network-based parts distribution system comprising:

a plurality of buyer computers for operation by [[a]] at least one of a plurality of system participants participant desiring to obtain one or more parts;

a plurality of seller computers for operation by [[a]] at least one of a plurality of system participants participant desiring to obtain one or more parts;

at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network, said server computer being programmed to receive part related data from said seller computers and use said data to maintain a database of all available parts and to receive part requests from said buyer computers and select one or more parts from said database in response to said requests, wherein said parts in said database are sorted into a plurality of inventory categories, and wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition;

a signed master agreement between said system participants, said master agreement determining aspects of transactions before participation by a system participant commences including said system participants desiring to sell-parts and said system participants wishing to obtain parts, said master agreement specifying terms of blanket purchase orders and said master agreement providing for auditing to check accuracy of said-part related data received from said seller computer; and

said server computer configured to relay a purchase order consistent with said transaction aspects determined by said master agreement specified terms of blanket purchase orders issued by one of said buyer computers to an appropriate one of said seller computers.

wherein each of said system participants is able to buy and sell parts.

2. (original) The parts distribution system of claim 1 wherein said server computer selects parts according to a buyer-specific picking order.

- 3-5. (cancelled)
- 6. (original) The parts distribution system of claim 1 wherein said computer network is the Internet.
- 7. (currently amended) A method of distributing parts, said method comprising the steps of:

obtaining agreements from system participants, including buyers and sellers an agreement from each system participant of a plurality of system participants, to join in a network-based, automated virtual warehouse parts distribution system, including agreements to terms of blanket purchase orders and auditing to check accuracy of data describing parts posted by sellers; said agreements determining aspects of transactions before participation by a system participant commences, each system participant of a plurality of system participants is able to buy and sell parts;

providing a plurality of buyer computers for operation by a system participant desiring to obtain one or more parts;

providing a plurality of seller computers for operation by a system participant desiring to sell one or more parts;

providing at least one server computer, wherein said buyer computers, said seller computers and said server computer are interconnected as a computer network;

using said seller computers to input part related data to said server computer;

using said data to maintain a database of all available parts, said step of maintaining said database including sorting said parts in said database into a plurality of inventory categories, wherein said parts in at least one of said inventory categories are further sorted into a plurality of sub-inventory categories based upon part condition;

using said buyer computers to transmit part requests to said server computer; and selecting one or more parts from said database in response to said requests.

- 8. (original) The method of claim 7 wherein said step of selecting one or more parts from said database includes selecting parts according to a buyer-specific picking order.
- 9. (previously presented) The method of claim 7 further comprising the step of using said server computer to relay a purchase order consistent with the agreement and issued by one of said buyer computers to an appropriate one of said seller computers.
  - 10-11. (cancelled)
  - 12. (original) The method of claim 7 wherein said computer network is the Internet.
  - 13-21. (cancelled)